

FISCAL NOTE
HB 2362 - SB 2635

March 26, 1998

SUMMARY OF BILL: Authorizes municipally operated electric systems to provide cable television, internet access, video transmission and other related services through the board of such electric system.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000*

Increase Local Govt. Expenditures - Exceeds \$1,000,000 / Permissive

Increase Local Govt. Revenues - Exceeds \$1,000,000 / Permissive

Decrease Local Govt. Revenues - Exceeds \$100,000 / Permissive

Assumes that:

- to the extent that local governments authorize their electric systems to provide such services, they would experience increased expenditures for the acquisition of infrastructure to provide service as well as the service provision itself. Local governments would also experience an increase in revenues from fees and rates charged for such services.
- state and local governments would experience a decrease in revenues, since it is assumed that local government cable providers would not be subject to sales tax on purchases made by the local government, franchise or excise taxes, or other applicable taxes or fees currently being paid by private cable or other service providers. It is assumed that municipally owned cable providers *would* be subject to the same payment-in-lieu-of-property-tax requirements as are municipally-owned electric providers.

***Any impact on state government revenues would be dependent on local government implementation.**

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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